



Fiji Corrections Service



TMA Business Plan
2017 - 2018

◆ Achieving Higher Economic Growth while Ensuring Sustainability ◆

Foreword



F C S

knowledge

to newly selected inmates. FCS have already begun this process by imbedding in these SBU's, Accounts Clerks with the relevant professional background to monitor daily financial status. Similarly, we have/are engaging professionals in the respective businesses to improve production levels, enhance quality, develop appropriate marketing strategies, exercise good governance and implement best business practices.

We have taken the necessary strides to improve our TMA output which is reflected in the monies returned to consolidated funds in 2016 and earmarked for the 2016-17 financial year. The exercise of simple business practices of reducing expenses through the reduction of wastage and increasing revenue generation plus close monitoring of productivity to improve returns have been fruitful. This we must continue to watch closely to ensure that our returns to Government increase annually.

It is imperative that FCS staff posted to the respective SBU's display sound leadership in the managing of these businesses and the secondary intent of rehabilitating inmates. The Supervisor Southern Division and Officers in Charge of the four Institutions in the South must work in unison with the TMA hierarchy to ensure the my Intent for these SBU's are met. An integrated approach, collective responsibility plus a sense of ownership of all concerned is paramount to the sources of these businesses.

I look forward to the effective and efficient implementation of this Business Plan.

F.B. KEAN

Commander

Commissioner

The Small Business Units (SBU) of the Fiji Corrections Service (FCS) operating under the Trade and Manufacturing Account (TMA) play a key role in our rehabilitative efforts towards all convicted inmates.

These six SBU's have evolved over time with a prime focus on providing appropriate business skills sets to inmates that are selected to work in these field of work. The statistics of success for inmates undergoing the process are commendable.

The continued success of these SBU's are dependent on engaging the right people to manage these businesses. The over reliance of inmates to manage these SBU's with oversight from personnel has ceased. This is due to the several cases of abuse and most importantly the transfer of





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Executive Summary

The Fiji Corrections Service since 2009, through its Small Business Units have embarked on a number of initiatives to generate income earning opportunities from the available land resources at its disposal, and more recently out of the inmates' skills either already existing or developed within.

More effort is given in the Agriculture sector which contributes to an average of at least 15% to National GDP and it is a significant contributor towards employment creation as well as economic development in the rural areas. Equal importance is also given to the manufacturing SBU's whereby the inmates are up-skilled in tailoring, baking and joinery.

In 2016 – 2017 Financial Period, the FCS Trading and Manufacturing Account (TMA) achieved a milestone through the remittance of \$300,000.00 to Ministry of Economy (MOE). This is the second payment since the inception of the FCS Enterprise.

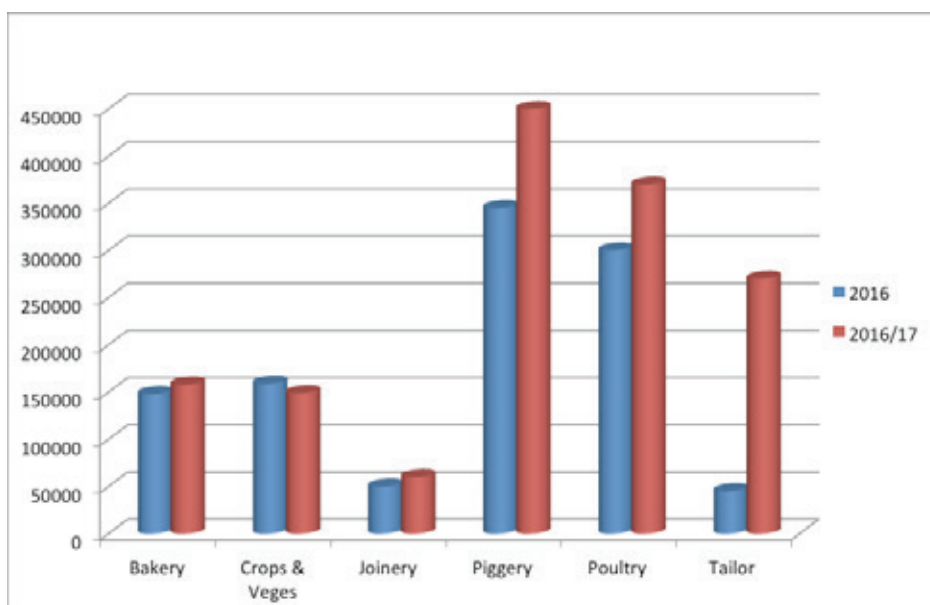
It is important to continuously assess the market conditions so that we are not underpricing or overpricing our products. Our prices need to be reflective of market conditions and appropriate changes be sought and implemented forthwith if and when the need arises. The above expected return will also take into consideration climate change and the tropical cyclone season that Fiji is susceptible to and its impact on the agricultural products in the business units. This is in consideration of the Government financial period that will progress right through the cyclone season between the months of November through to April.

The bank balance as at end of June, 2017 was \$792,902.35. It is anticipated that at least \$600,000.00 will be remitted into the consolidated fund account by end of the financial year. Instead, this fund can be redirected for the infrastructure development and purchasing needs of the Enterprise Unit by prioritising those that are urgent for the growth of the SBU in the current accounting period.

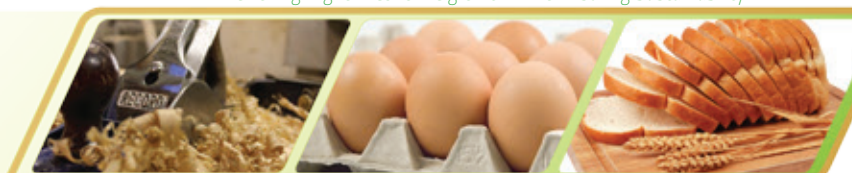
A Consolidated Net Profit of \$445,672.10 was achieved in 2016 - 2017 financial year. The Team is doing things right and must continue to maintain the strategies and activities that are producing the positive outcomes.

The change in the financial year from August 2016 to July 2017 has seen an increase in revenue of the FCS TMA. A total of \$1,543,673.52 in revenue was collected from August 2016 to May 2017 which reflects an increase of \$455,970.34 when compared with the same period in 2015 – 2016. The graphical representation shows the monthly comparison for each SBU's for 2016 and 2017;

Figure 1:0 - Revenue Comparison Analysis (Jan – May), 2016 & 2017



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TMA Revenue Projections

Table 1.0: - FCS – TMA Annual Revenue Projection

Revenue Analysis for the Past 3 Years and 2017-2018 Projection				
SBU	2015 (Annual)	2016 (June)	2016 - 2017 (August - May)	2017-2018 Projection
Bakery	338,717.26	135,599.75	183,518.40	250,000.00
Crops & Vegetables	322,887.68	203,328.00	130,592.47	190,000.00
Joinery	151,335.90	68,110.94	87,454.50	120,000.00
Piggery	671,275.40	350,889.02	464,670.50	600,000.00
Poultry	732,563.77	311,434.54	388,744.75	450,000.00
Tailor	131,411.75	32,529.70	288,693.10	330,000.00
Total	\$2,348,191.76	\$1,101,891.95	\$1,543,673.72	\$1,940,000.00

2017–2018 Objectives

The short and long term objectives identify the overall goals of the FCS Trading and Manufacturing Account. The short term objectives are those that needed to be immediately addressed while the long term will be executed in phases depending on the financial ability.

i. Short Term –

- Up-skilling of inmates through rehabilitative programmes available in each SBU.
- Appropriate training of supervisory officers
- Minimize expenditure level for all SBU's.
- Remittance of \$900,000.00 into the Consolidated Fund Account (CFA) after the 2017 – 2018 Financial Years.
- Develop Standard Operating Procedures (SOP) in the operational and financial activities of the TMA (Monthly P&L Statements, Weekly Production and Sales Reports).
- Improvement in record keeping and reporting to accurately monitor each SBU's
- Improvement of Communication and Information systems at the TMA Office (Internet, Fax, Telephone).
- Reduce audit query and qualification.
- Purchase of a TMA Vehicle
- Purchase of a trailer for the tractor
- Implementation of an Irrigation System at the Vegetable Farm
- Purchase of a water pump for Field 25 Vegetable Irrigation
- Explore the purchase of a suitable machine to grind cassava to replace rice at the piggery unit
- Construction of TMA billboards at the Naboro junction
- Repairs of Poultry Sheds at Poultry 1

ii. Long Term –

- Engaging in export markets.
- Construction of a New Farrowing Shed for Piggery
- Construction of a New Poultry Shed at Poultry 1
- Construction of a Reservoir at the Piggery Farm
- Relocation of the Bakery Unit outside of the Maximum Correction Facility.
- Relocation of the Tailor & Joinery outside of the Medium Correction Facility
- Hydroponic Farming to augment the Vegetable Farm during off-seasons.
- Bio-Gas Project at the Piggery Farm
- Construction of feed mill at Poultry & Piggery to reduce our costs.





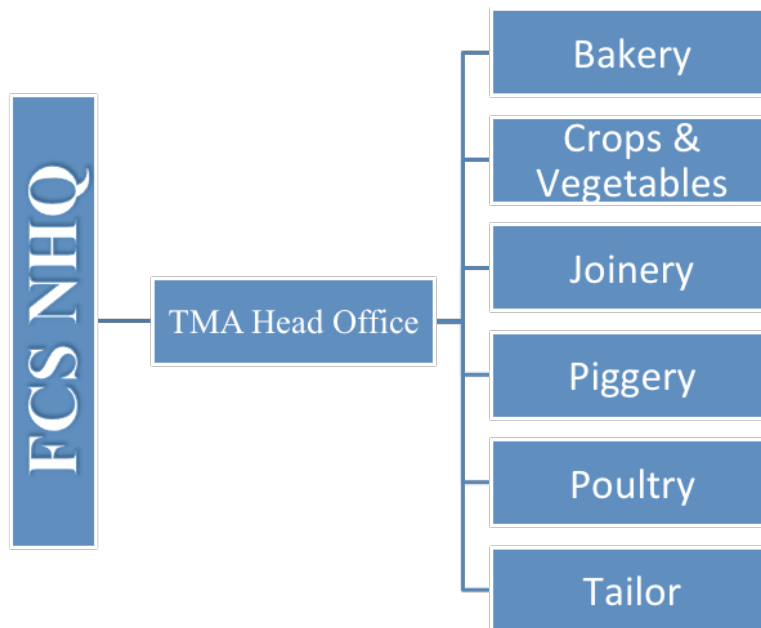
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Profile / Background

The FCS Trading and Manufacturing Accounts have 7 Small Business Units (SBU) situated within the Naboro Corrections facility. The namely SBU's are listed below;

1. Bakery
2. Crops & Vegetables
3. Joinery
4. Piggery
5. Poultry
6. Tailoring

The reporting chain is illustrated in the chart below.



The running of each SBU's will continue to provide the inmates with necessary hand-on life skills training that is essential when they are discharged from our care and integrated into the society.

Mandate

The Department's Commercial and Enterprise Unit is guided by its legal mandate to operate under the relevant clause of the Fiji Corrections Act of 2006, Part 10 Clause (a) – (d) which stipulates the following provisions:
“Provisions may be made by regulation and supported by Commissioners Orders encouraging the establishment and development of prison enterprises and the appropriate involvement of prisoners so as to enhance their rehabilitation and opportunities which includes:

- a) The setting of prices and charges on a commercial basis;
- b) The imposition of the “user pays” principle;
- c) The establishment and proper operation and accounting of special funds established in accordance with law to facilitate commercial enterprises; and
- d) Any other matter that fosters prison enterprises and the meaningful participation of appropriate prisoners in them.”

Corporate Statement

Our Vision

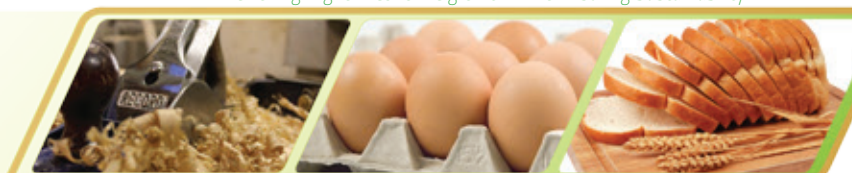
“To effectively rehabilitate all inmates that they will become law abiding citizen, who contribute positively to our country, Fiji.

Our Mission

“To positively restore lives.

Our Motto

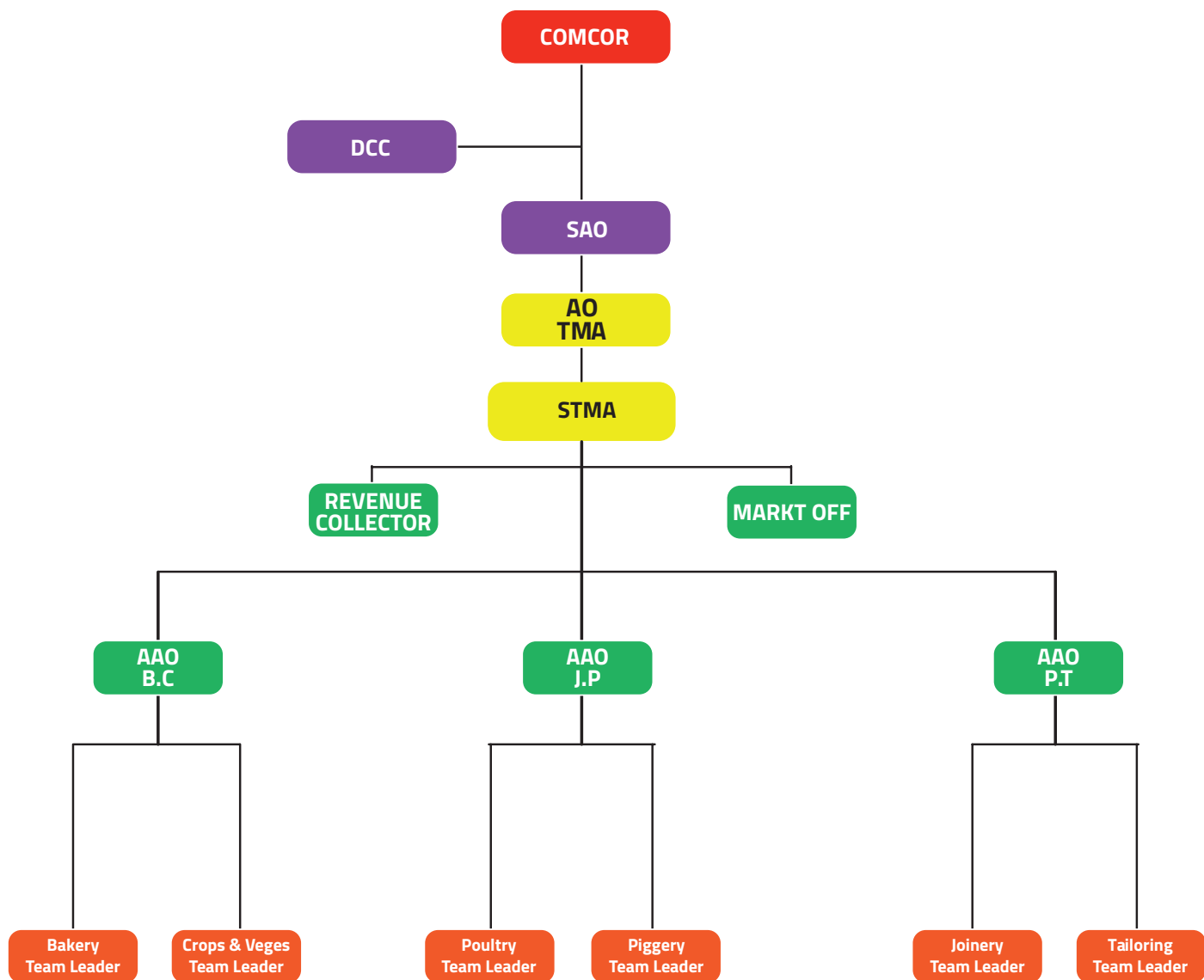
“Semper Restituens–Always Rehabilitation’





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FCS – TMA Organizational Structure



Business Environment

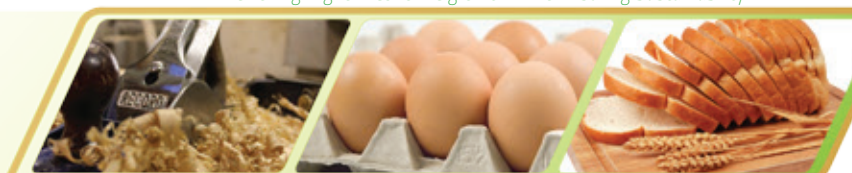
Due to the wide range of our business products, there is a continuous need to be proactively engaged in the marketing of our products through various modes. This would include social media advertisement, constructions of billboard, partnership with key stakeholders and up to date market research.

The use of technology within the TMA Operations is quite demanding, in particular, the use of internet and other mode of communication. The current practice of manually visiting suppliers to obtain the minimum three quotations as required is very expensive and time consuming. The same could be achieved a lot more efficiently by the use of emails. Indeed, internet will greatly improve communication between our internal and external customers.

For the business to grow and achieve its targets there is an absolute need for recruiting qualified staff to be able to oversee the business units with confidence. Whilst we acknowledge the work of the inmates, particularly the team leaders, officers must at least have an understanding of the operation and be ready to fill in should there be a change in the team leadership.

In addition, as a way forward for the FCS-TMA in 2017-2018 financial years, few changes have taken place in an effort to further improve the performance of all the current Business Units. The engagement of officers with accounting knowledge and qualifications to each SBU to formulate their individual monthly Profit & Loss Statement in order to measure the performance at all the six SBU's, will definitely boost the performance to another level. Listed below are our main key performance indicator that will be implemented to improve our recording system and reporting in the future:

1. Revenue Collector Daily Sales Report;
2. Daily Production Report;
3. SBU Daily Sales Report; and
4. Monthly Invoice Return.
5. Monthly Profit & Loss Statement





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BAKERY

MARKET ANALYSIS

a. *Products and Services*

The FCS Bakery Unit is currently baking long loaves and slice bread. These are the only products currently produced at the FCS Bakery. The production is to cater for the demand from the corrections institution in the Southern and Eastern Division.

The details of the price and the bread products are noted below;

- i. LONG LOAF – 500grams @ \$0.75;
- ii. SLICED BREAD – 650grams @ \$1.27 (Medium)

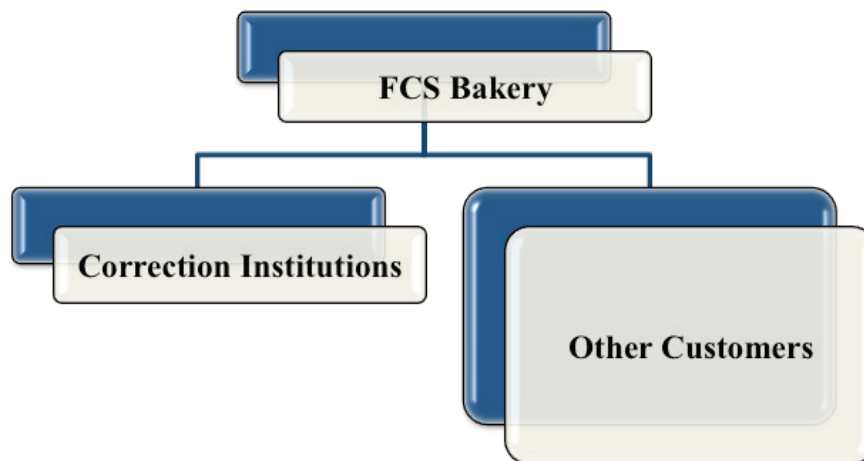
Other bakery products cannot be produced at the moment due to the current location of our Bakery Unit. It is located within the Maximum Correction facility. Tabulated in detail are potential products that can be produced at the FCS Bakery Unit should it be relocated outside the precincts of the institutions.

Key Product / Services	Related Product / Services	Comment
<p>Normal Long Loaf - \$0.75</p> <p>Sliced Bread - \$1.27</p>	<p>Other potential products are:</p> <ul style="list-style-type: none"> • Whole meal bread (sliced and normal square and long loaf) • Prison loaf, pastries such as croissants, normal buns, cream buns, • Variety of cakes (wedding and birthday cakes), banana, orange, chocolate, and vanilla cakes. 	<p>Freshness is paramount and likewise the location needs reviewing to further develop the bakery business into a competitive player in the market at large.</p>

b. Channel Distribution

The goal of the distribution and supply management is essential to get the product to the right place, at the right time, with the right quantities and at the lowest possible cost.

The FCS TMA usually delivered bread directly to our customer on a daily basis. . The pictorial representation is provided in the chart below;



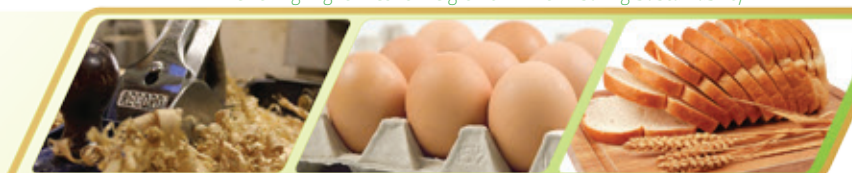
Further, the bread payment is made directly to the FCS Bank Account through the Electronic Fund Transfer (EFT) arrangement.

c. Critical Needs of the Existing Market

There are big established players in the bakery market in Fiji. However, the FCS Bakery will ensure to maintain the following in order to compete with the markets;

- i. To Improve supply and delivery time
- ii. Expand on our market through better development planning
- iii. Recruit specialized staff to develop variety of products
- iv. To improve public awareness of our products
- v. Operation to have ISO certification (Long term objectives)

In addition, what is more profitable is knowing that the rehabilitated inmates engaged in the Bakery Unit have increased their skills in bakery products and have a business mindset.





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BAKERY

STRATEGIC ISSUES / SWOT ANALYSIS

This SWOT analysis looks at the operational and tactical levels.

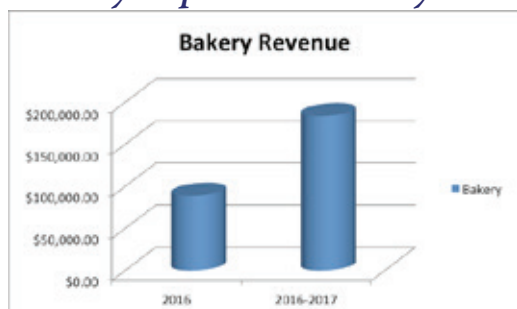
SWOT Analysis

SWOT ANALYSIS	STRENGTHS	WEAKNESSES
	<ul style="list-style-type: none"> • Specialized Skills • Equipment • Free labour • Secure location 	<ul style="list-style-type: none"> • Current location - Security can be compromised and in the event of breaches certain degree of freshness is lost. • 3 ovens - 2 working (2010), 1 new (Apr 2013) – awaiting spare parts • In-house training • Delivery boys intermittent absenteeism
	TREATS	OPPORTUNITIES
	<ul style="list-style-type: none"> • Competition from other Bakeries • Increase in debtors • Natural Disasters • Unhygienic issues • Security breaches 	<ul style="list-style-type: none"> • Diversification of products • Formulation of a strategic plan improvement • Marketing plan improvement • Newer technologies • Review of inmates and attache’s wage payments • External Networking

1) Bakery Revenue Trend Analysis



2) Bakery Expenditure Analysis



3) 2017 – 2018 Revenue Projection

Revenue Analysis for the Past 3 Years and 2017 – 2018 Projection				
Bakery	2014 (Annual)	2015 (Annual)	2016-2017 (Aug-May)	2017-2018
	281,367.45	338,717.26	183,518.20	250,000.00

FORECASTED CAPEX

a. Aggressive marketing through product competition - (\$1,000)

Product advertisement will be placed on media outlets and pamphlets

b. Improve Capital Infrastructure and Security - (\$15,000)

Purchase of new Bread Tins/Trays and shelves

c. Review of In-House Training and enhance staff development - (\$3,000)

Purchase of materials for training and hire of baking tutors/pastery chefs





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CROPS & VEGETABLES

MARKET ANALYSIS

In the seventh years of business, it is realized that the immediate market for crops and vegetables is in the Naboro, Lami and Suva corridor and the wholesale exporters. The other significant outlets are the informal sectors where the demand is random but significant enough to warrant attention.

The plan is to consolidate our production to enable us to tap the developed export markets.

Market Strategy - The focus will be on consolidation and development of production through improving crop husbandry practices, increase productivity and consistency of supply, etc.

To get into the developed market should be our long term objective.

a) Business Analysis

In 2015, the Crop Unit focussed principally on ginger. There was an over-reliance on emotion rather than market reality. As a result bulk of the ginger planted remained unharvested due to a huge oversupply of the crop. A pragmatic approach needs to be adopted with a realistic target based on anecdotal market data.

The focus now is on dalo and vegetables cultivation as it is perceived to be a lesser risky crop with a more stable market demand. The *tausala* variety which is the main export dalo crop is being expanded and hopefully will be the dominant variety by the next financial year.

There are two vegetable teams operating within the Farm Unit, one is operating at Field 25 and the other is operating beside Minimum Correction Centre. Given Field 25's elevation of water is critical, the immediate purchase of a water pump for vegetable irrigation is required.

There is a need to explore Hydroponic farming as another adjunct to the vegetable farm. This will assist consistent production of vegetables during the off-season. It is also useful in the learning and introduction of a new and efficient technique.

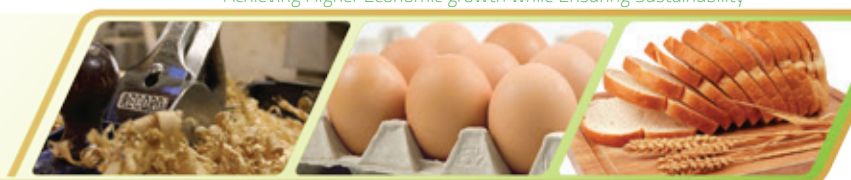
SWOT Analysis

SWOT ANALYSIS	STRENGTHS	WEAKNESSES
	<ul style="list-style-type: none"> • Low cost labour • Availability of land • Close proximity of water supply • Free manure from poultry farm • Availability of Excavator 	<ul style="list-style-type: none"> • Market access • Inadequate farming tools and implements • Transportation problem • Quality Control on produce
	THREATS	OPPORTUNITIES
	<ul style="list-style-type: none"> • Poor management • Natural disasters • Disease and pest • Corrections operations • Volatility of markets • No of officers • Procurement delays 	<ul style="list-style-type: none"> • Export • Diversification of produce • Hydroponic farming to sustain vegetable markets during off season • Concerted marketing

Objectives/Strategic Performance Measures

Our success rate is measured by our revenue/sales over expenses

a) **Business Strategies** - Currently, our ginger and dalo crops are sold at reasonable prices. Our usual clients are wholesalers. The remainder goes to Institutions or road sales and normal selling at the office. Our product philosophy is that we are selling *“fresh products that are affordable and available at convenient locations accessible to the customer”*.





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CROPS & VEGETABLES

b) *Monitoring Control -*

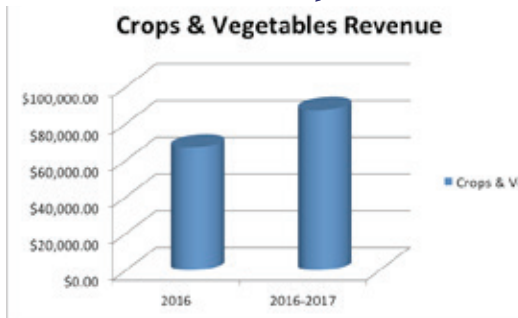
Objectives Financial Objectives	Indicators	Targets
To increase revenue growth	% of revenue increase	10 %
To improve the profitability of the SBU	% of profit increase	10 %
To provide financial Update of SBU Performance	Profit & Loss Statement	Mthly
Marketing objectives		
To meet and exceed customer expectations	Customer satisfaction survey	90 %
Establish long term customer relations	Amount of repeat and referral business	90 %
Improve competitiveness of the business	Feedback from customers	Qtr
To access Market outlets	No of new outlets secured	Qtr
Operations Objective		
To improve efficiency within the SBU Unit	No of processes improved	Qtr
To effectively utilize existing resources within each of	Quality Standards Deliveries	Mthly
Improve health and safety within the SBU	Mthly Audits	Mthly
To improve accuracy of data/record keeping	Daily submission of SOIs/	
Human Resource Objectives		
To improve the motivation of employees	Performance management	Qtr
	Staff Certifications and No of Training Sessions/Workshops	Qtr

c) *Marketing Strategies -*

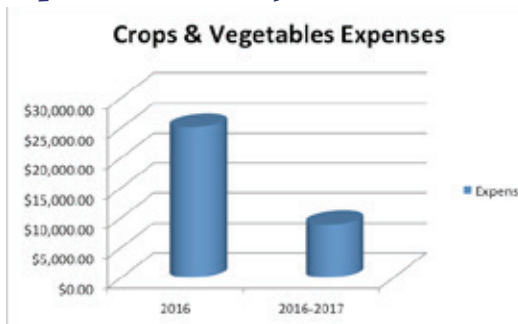
The Unit needs to ensure that the strategies mentioned above meet the following goals and objectives

- To meet and exceed customer expectations
- Establish long term customer relations
- Improve competitiveness of the business
- Access to Market outlets
- Hydroponic Farming

1) *Revenue Trend Analysis*



2) *Expenditure Analysis*



3. *2017 – 2018 Revenue Projections*

Revenue Analysis for the Past 3 Years and 2017 – 2018 Projection				
Crops & Vegetables	2014 (Annual)	2015 (Annual)	2016 -2017 (Aug-May)	2017-2018
	203,979.26	308,836.16	109,487.97	150,000.00

FORCASTED CAPEX

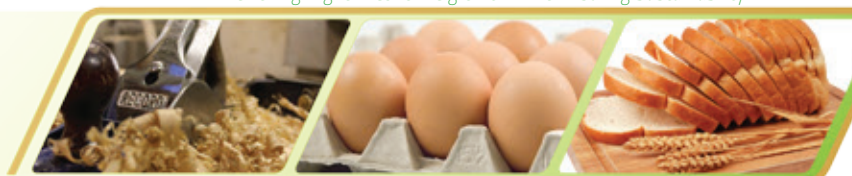
1. Vehicle – Toyota Land Cruiser (\$81,000)

Purchase or lease of TMA vehicle

2. Hydroponic farming - (\$10,000)

Purchase of Hydroponic materials and training fees

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JOINERY

INDUSTRY ANALYSIS

a) Production Processes: -

The Team comprises of inmates who are well familiar with the production process and have managed the joinery unit well except for technical factors beyond their expertise and control which require outside capability.

b) Market share

The joinery capitalizes on the untapped segments of the furniture market.

c) Competitors

Joinery aims to position itself as a serious player in the furniture market.

d) Channel of Distribution

Currently, we have walk in customers who place orders and the production process follows. The outlets for joinery products are irregular and inconsistent. Each year we sell products at the Showcase, Hibiscus festival and YRP Awareness Programs.

e) Critical needs of the existing market

Because of our current limited capacity and the ad hoc nature of our customers and orders, we cannot claim to have a hold on the furniture market. That is why it is vital to improve our processes, skills and quality to enable us to compete and gain a foothold on the market. This will further boosted through promotion and advertisement.

f) Target Market & Clients

Growth of our existing informal market is essential but with emphasis on new ones such as schools, church groups and government departments. The corporate market segment is however more lucrative as compared to the other segments. This is attributed to the fact that the segment has a greater growth potential and is more profitable. The main marketing strategy for this SBU will be the centered around superior performance in the following areas:

- Quality products
- Timely submission of request to COMCOR

- Timely and Consistent supply of product to customers
- Fair Pricing
- Well packaged and labelled items

g) Competition

Since we hold a small share of the market, our strategy dictates that we target the niche market where major players have not concentrated on, and focus our marketing mix of product, price, promotion and distribution on satisfying the niche market’s specific needs and wants.

As stated earlier, we do not see ourselves as a major competitor in the furniture market. Our strength is in developing niche market.

h) Marketing Mix (MM)

In previous years, the SBU tried to understand this MM – but it’s slowly sinking in. Efforts to continuously apply this are left on the leadership to see it through.

Figure 4:0 - Marketing Mix

Marketing Mix	
Product	<ul style="list-style-type: none"> • We have assorted products for limited public consumption.
Price	<ul style="list-style-type: none"> • Products must be sold at a lower price than the market price but above production costs.
Promotion	<ul style="list-style-type: none"> • Level of promotion will depend on the products and markets. • Presently, promotions are done through YRP coordinated events. e.g. Showcase, Hibiscus, Suva on Sale, etc. • Level of promotion will be depended on products and markets. • Word of Mouth /Network/Partnership
Place (Distribution)	<ul style="list-style-type: none"> • Our YRP coordinated events, e.g. Showcase, Hibiscus, Suva on Sale, etc. • Presently promotions are done through YRP coordinated events.

Strategic Issues / SWOT Analysis

STRENGTHS		WEAKNESSES	
INTERNAL	<ul style="list-style-type: none"> • Free electricity, water and labour • Capacity to develop markets through government channels • Revenue potential with schools, organizations. 		<ul style="list-style-type: none"> • Unskilled staff, technical and manufacturing skills • Inability to meet market demand.
OPPORTUNITIES		THREATS	
EXTERNAL	<ul style="list-style-type: none"> • Opportunities, no doubt exist but the challenge is to consolidate our processes, production and market, to be able to fully exploit the opportunities. 		<ul style="list-style-type: none"> • Limited location and labour skills • Inadequate outlet and market • Corrections operations • Power blackout

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JOINERY

Resolving chronic problems can be the solution to strategic issues:

Strategies to meet target objectives are as follows:

The SBU must focus on the Strategy on Product and Market Development. A model is shown that illustrates how the strategies are broken down and having a cascading effect at operations level;

Figure 7 - Monitoring & Control

Objectives	Indicators	Targets
Financial Objectives		
To increase revenue growth	% of revenue increase	10 %
To improve the profitability of the SBU	% of profit increase	10 %
To provide financial Update of SBU Performance	Profit & Loss Statement	Monthly
Marketing objectives		
To meet and exceed customer expectations	Customer satisfaction survey	90 %
Establish long term customer relations	Amount of repeat and referral business	90 %
Improve competitiveness of the business	Feedback from customers	Monthly
To access Market outlets	No of new outlets secured	Monthly
Operations Objective		
To improve efficiency within the SBU Unit	No of processes improved	Monthly
To effectively utilize existing resources within each of	Quality Standards	
Deliveries	Mthly	
Improve health and safety within the SBU	Mthly Audits	Mthly
To improve accuracy of data/record keeping	Daily submission of SOIs/	
Human Resource Objectives		
To improve the motivation of employees	Performance management	Qtrly
	Staff Certifications and No of Training Sessions/Workshops	Qtrly

1. **Revenue Trend Analysis**



2. **Expenditure Analysis**



3. **2017 – 2018 Revenue Projection**

Revenue Analysis for the Past 3 Years and 2017 – 2018 Projection				
Joinery	2014 (Annual)	2015 (Annual)	2016 - 2017 (Aug-May)	2017 - 2018
	61,688.61	151,335.90	87,454.50	120,000.00

FORECASTED CAPEX

a. Upgrade of Capital Infrastructure and Security - (\$50,000)

Purchase and repair of production equipments

b. Increase Labor Productivity through Training Continuous Market Research and Innovative Designs - (\$5,000)

Purchase of training materials and hire of trainers

c. Aggressive marketing through product competition - (\$2,000)

For advertisement and printing of brochures and pamphlets

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PIGGERY

MARKET ANALYSIS

Fiji is 90% self-sufficient in pork meat and the markets are largely dominated by a few large companies. There are at least three (3) large chains who are producers that account for 75% of the total pig meat supply. They also purchase pigs from smaller producer when there is a shortage from within their own units, to meet market requirements. Fiji Corrections Piggery is not accounted for in the stats although it is perceived that we could own a smaller percentage of at least 1% of the market share.

a) *Products and services*

In the table below are our pig products with the selling price in the farm. We also facilitate pig delivery within Nausori to Navua. Additional cost is charge for the delivery. However, most customers pick up their pig from Naboro Piggery.

Figure 3 - Live Pigs of different weights and prices.

Product Weight (Kg)	Class	Price
10 - 19 kg	Weaner	\$12.50
20- 29 kg	Porker	\$10.50
30 - 39 kg	Porker	\$9.50
40 - 49 kg	Porker	\$8.50
50 - 79 kg	Baconer	\$7.50
80 -99kg	Baconer	\$6.50
100 - 149 kg	Baconer	\$6.00
150 - 199 kg	Baconer	\$5.50
200+	Baconer	\$4.00

b) *Channel of distribution*

The goal of distribution and supply chain management is essential to get the product to the right place, at the right time, in the right quantities, at the lowest possible cost.

Most of the pig sales are by means of the direct channel, that is sold at the Enterprise farm or through indirect means that is arranged through the network in which payments are received and processed through the Institutions. The customer/clients however, arranges for their own transport to pick up at the Piggery Farm or pay a transportation fee of \$50.00.

c) Critical needs of existing market

The target market needs are fresh and healthy pigs at affordable price and accessible at locations that are convenient. The farm produces healthy pigs that are priced reasonably.

Although transport is available to deliver to customer at various destinations, some customers arrange their own transport during payment, thereby ensuring inspection and selection of pigs.

d) Target Market & Clients

The identified key segments for the project include individuals, government departments, Institutions and corporate consumer market segments. In terms of similarities, all segments whether individual, corporate or otherwise, seek the health and taste benefits of the produced (pigs). They regard the product as an excellent source of protein, and as an alternative to beef, chicken and especially for traditional obligations or special functions. The main marketing strategy for this SBU will be centered around superior performance in the following areas:

- Quality products.
- Timely and Consistent supply
- Fair Pricing
- Well packaged and labelled items

e) Competition

Through analysis, it was identified that Vuda Piggery, Whaley's, Leyland's holds 75% of the market share and the remaining 25 % is distributed between Backyard farms, including Fiji Corrections Service Piggery Farm. Our direct competitors in our niche market will be other farm producers specifically if they have a competitive advantage in terms of other variables such as location and close proximity of farms, modern technological processes, better price offerings and an abundance and regular supply of similar products. The Unit will face indirect competition from the major established players. At the moment, we are facing limited competition as being reflected by our Sales increases.

f) Product Positioning Map

These major players in the market can derive a substantial advantage through economies of scale effects and through the learning curve and have set the standards in the industry in which FCS and other small players will have to rise to the challenge. Suppliers (Competitors') resources can range from technical, marketing and financial economies of scale to enable them to create huge barriers of entry for new entrants/competitors entering their target market.





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PIGGERY

Strategic Issues / SWOT Analysis

The main issue from a strategic viewpoint is obtaining maximum advantage in order to enhance FCS goals:-

SWOT Analysis

SWOT ANALYSIS	STRENGTHS	WEAKNESSES
	<ul style="list-style-type: none"> • Potential Profit Unit • Piggery Farm expertise • Existing Market (< 2 %) • Free Labour cost • Flexible Feed Mix 	<ul style="list-style-type: none"> • Location • Supply of Medicine (Norocillin, Baycox, Scourban) rely on external control • Commercial Feed Quality
	THREATS	OPPORTUNITIES
	<ul style="list-style-type: none"> • Potential Capacity Increase • Methane plant 	<ul style="list-style-type: none"> • Disease • Water Supply • Policy Changes • Personal Health (Methane Gas, Leptospirosis)

Objectives / Strategic Performance Measures

Models used here are to help explain the meaning and relevance to the topic under discussion.

a) Product Life Cycle

In the product life cycle it is perceived that most of our SBUs assumed to be on the growth phase, is still striving to meet some development needs including infrastructure and capital to sustain itself at the operational level. The SWOT Analysis indicates a lot of issues need addressing to enhance Piggery's capabilities to venture forward confidently in the Growth Stage of its life cycle.

b) Marketing Mix

Markets are the link between animal products and processor as well as a link between producers. This is also where buyer and seller meet. In the SBU case, this is either a physical meet at the Farm Office or piggery facility or by phone or through third party arrangement to deliver the product on a timely basis to its destination.

The SBU Unit must understand this Marketing Mix strategy very well. Our product philosophy is that we are selling "fresh products that are affordable and available at convenient locations accessible to the customer". This has become our commitment of service that we will deliver as promised to meet and satisfy customers expectations. If we do not meet our philosophy and promise then we will disappoint our customers who will switch to other competitors, discredit our products and service, and the image we are striving to build.

Figure 8 – Marketing Mix

Marketing Mix	
Product	Pigs (Fresh/Lean)
Price	Flexible Pricing
Promotion	Demand exceeds supply
Place (Distribution)	From present location
Packaging	Cleaned and Healthy Appearance

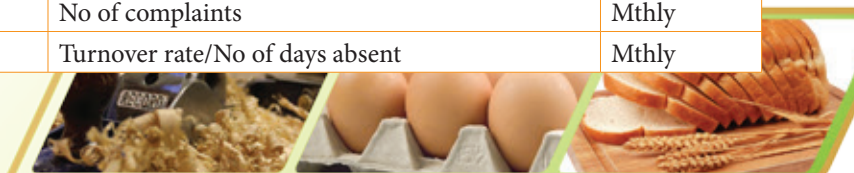
c) *Monitoring and Control*

This is a form of checklist to gauge the effectiveness of performance measures put in place and the actual percentage of success and recovery action to be taken if required.

Ongoing evaluation of progress against the critical issues will be appropriately tracked in terms of timelines and targets achieved.

Assumptions made in the Business Plan are to be reviewed and adjusted accordingly. An overall assessment of what has been done is noted and any areas that need urgent attention are highlighted and addressed at the earliest so that the standard are maintained.

Objectives	Indicators	Targets
Financial Objectives		
To increase revenue growth	% of revenue increase	10 %
To improve the profitability of the SBU	% of profit increase	10 %
To provide financial Update of SBU Performance	Profit & Loss Statement	Qtrly
Marketing/Customer Service objectives		
To meet and exceed customer expectations	Customer satisfaction survey	70 %
Establish long term customer relations	Amount of repeat and referral business	100%
Improve competitiveness of the business	Feedback from customers	Qtrly
To access Market outlets	No of new outlets secured	Qtrly
Operations Objective (Internal)		
To improve efficiency within the SBU Unit	No of processes improved	Qtrly
To effectively utilize existing resources within each area of SBU	Quality Standards Deliveries	Mthly
Improve health and safety within the SBU	Mthly Audits	Mnthly
To improve accuracy of data/record keeping	Daily & timely submission of SOIs/	Daily
Human Resource Objectives		
To improve the motivation of employees/inmates	Performance management	Qtrly
To improve staff/inmate competency levels	Staff Certifications and No of Training Sessions/ Workshops	Qtrly
To reduce staff/inmate complaints	No of complaints	Mthly
To reduce staff/inmate turnover/sick leave	Turnover rate/No of days absent	Mthly





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PIGGERY

1. Revenue Trend Analysis



2. Expenditure Analysis



3. 2017 – 2018 Revenue Projection

Revenue Analysis for the Past 3 Years and 2017 – 2018 Projection				
Piggery	2014 (Annual)	2015 (Annual)	2016-2017 (Aug-May)	2017-2018
	331,135.76	671,275.40	464,670.50	600,000.00

FORECASTED CAPEX

a) *Construction of Bio-Gas Plant - (\$120,000)*

The construction of Biogas will utilize piggery manures and other kitchen organic waste converting it to a reusable gas as a form of renewable energy. It can be cleaned and upgraded to natural gas standards when it becomes bio methane. In the long term this will save the heavy reliance on firewood which is both expensive and environmentally unfriendly.

b) *Slaughter Facility - (\$150,000)*

To improve our competitive edge in a more established market, a slaughter facility is an ideal plant to boost this. This is prudent for hygiene and production will be completely OHS compliance.

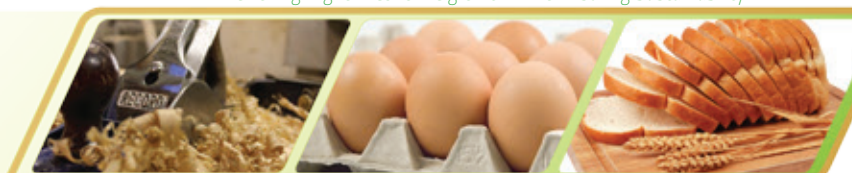
A centralized poultry and piggery slaughter facility shed will yield efficiencies across all aspects of the business and will result in reduced labour requirement and costs

c) *Farrowing Shed - (\$20,000)*

The FCS is planning to build a new shed to house 100 mothers. Currently we have 86mothers which give the total stock of 716 pigs by the end of June 2017. Through analysing the demand from customers, it was identified that the strength of the piggery is with the pig mothers. This will cater for the refurbishment of Poultry 2 which has been relocated to Poultry 1.

d) *Construction of Reservoir - (\$20,000)*

The new reservoir will assist in the storage of water in the piggery farm. Water is a current re-occurring problem that is needed to be addressed immediately.





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POULTRY

BUSINESS ENVIRONMENT / INDUSTRY ANALYSIS

a) Products and Services

Analysis conducted revealed that Fiji's poultry production has increased from drastically by 2012. Approximately 15 million Fiji dollars (approx. €6.5 million) has been invested in expansion of poultry production, towards achieving self-sufficiency in poultry production.

Fiji is 97% self-sufficient in poultry meat and 100% self-sufficient in eggs and the markets are largely dominated by a few large companies.

The poultry industry is held by two broiler companies, Goodman Fielder (60 percent) and Rooster Chicken (40 percent); and the egg market is controlled by Ram Sami and Sons (85 percent).

The major players in this industry are: Commercial Farmers, backyard farmers, transporters, drug and feed suppliers, distributors and agents, wholesalers and retailers.

Main Products - Eggs in assorted sizes, Retired Layer birds,

By Products - Poultry manure

b) Critical needs of existing market

The targeted market needs fresh and healthy eggs at affordable prices and accessible locations that are convenient. The challenge for 2015 is to be wary of the packaging and external temperature for our supermarkets outlets around Suva. This has been resolved by the acquisition of a specialized cooler vehicle.

c) Target Market & Clients

The main marketing strategy for this SBU has been centered on superior performance in the following areas:

- Quality products.
- Timely and Consistent supply
- Fair Pricing
- Well packaged and labeled items

d) Competition

Ram Sami and Sons hold 85% of the egg market share and the remaining 15% is distributed between Crest, Po Farm, Allied Business Solutions (ABS) and emerging enterprises and backyard farms including Fiji Corrections Service Poultry Farm.(Refer Figure 6(a) and 6(b) on the following pages.

Strategic Issues – SWOT Analysis

The SWOT Analysis identifies areas and challenges that must be resolved urgently

Figure 7 – SWOT Analysis

SWOT ANALYSIS	STRENGTHS	WEAKNESSES
	<ul style="list-style-type: none"> • Secure Markets • Low Cost Labour • Good Reputation • Gained Expertise • Available Land 	<ul style="list-style-type: none"> • Aging Infrastructure • Reliance on Inconsistent outside suppliers • Correction Operations • Approval delays • Inflexibility to respond to market changes
	OPPORTUNITIES	THREATS
	<ul style="list-style-type: none"> • Potential Capacity Increase • Market Access • Enhanced packaging and branding • Reintroduce meatbird brooding • Centralise operation in one location 	<ul style="list-style-type: none"> • Unsustainability of existing infrastructure • Disease • Competition • Rising input costs • Over reliance on two major feed suppliers • Low Standard grading facility

Strategic Performance Measures

a) Marketing

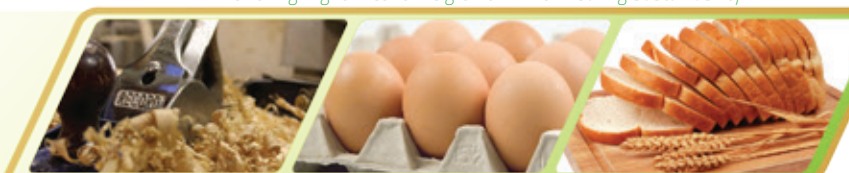
The prevailing demand levels meant that we have been able to sell all the eggs we produce. The current reality is that we cannot fulfil the customers’ requirements.

Monitoring and Control

The following Monitoring and Control chart is intended as a form of checklist to gauge the effectiveness of performance measures put in place and the actual percentage of success and recovery action to be taken if required.

Ongoing evaluation of progress against the critical issues will be appropriately tracked in terms of timelines

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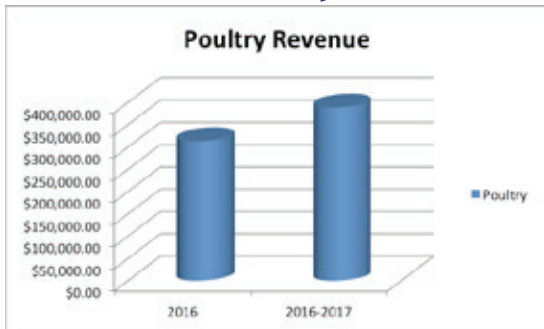
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POULTRY

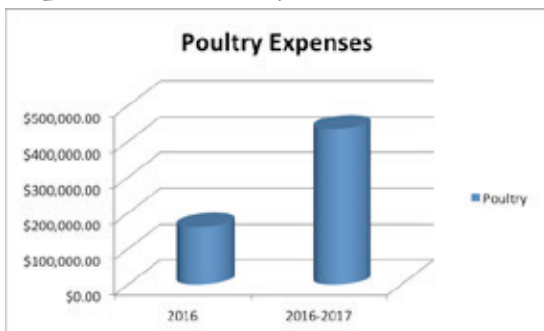
and targets achieved. An overall assessment of what is working is noted and (problem areas are highlighted and addressed) at the earliest and noted for future reference.

Objectives	Indicators	Targets
Financial Objectives		
To increase revenue growth	% of revenue increase	10 %
To improve the profitability of the SBU	% of profit increase	10 %
To provide financial Update of SBU Performance	Profit & Loss Statement	Monthly
Marketing/Customer Service objectives		
To meet and exceed customer expectations	Customer satisfaction survey	70 %
Establish long term customer relations	Amount of repeat and referral business	100%
Improve competitiveness of the business	Feedback from customers	Qtrly
To access Market outlets	No of new outlets secured	Qtrly
Operations Objective (Internal)		
To improve efficiency within the SBU Unit	No of processes improved	Qtrly
To effectively utilize existing resources within each area of SBU	Quality Standards Deliveries	Mthly
Improve health and safety within the SBU	Mthly Audits	Mthly
To improve accuracy of data/record keeping	Daily & timely submission of SOIs/	Daily
Human Resource Objectives		
To improve the motivation of employees/inmates	Performance management	Qtrly
To improve staff/inmate competency levels	Staff Certifications and No of Training Sessions/Workshops	Qtrly
To reduce staff/inmate complaints	No of complaints	Mthly
To reduce staff/inmate turnover/sickleave	Turnover rate/No of days absent	Mthly

1. **Revenue Trend Analysis**



2. **Expenditure Analysis**



3. **2017 – 2018 Revenue Projection**

Revenue Analysis for the Past 3 Years and 2017 – 2018 Projection				
Poultry	2015 (Annual)	2015(Annual)	2016-2017 (Aug-May)	2017-2018
	542,018.21	732,563.77	388,744.75	500,000.00

CAPEX FORECAST

a) **Repairs and maintenance of Poultry Sheds - (\$50,000)**

Repairs of the sheds in Poultry 1 and replacement of A frame cases in shed one should be an absolute priority

b) **Construction of a new Poultry Shed - (\$120,000)**

To facilitate relocation of poultry 2 to poultry 1. Poultry 2 will be used as furrowing shed for piggery.





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TAILORING

MARKET ANALYSIS

In the beginning of 2015, the demand of market from social organizations was so high that new machines were purchased to be in line with the current technology and make the product faster. Analyzing the market and sales in the past years, it was notice that the outlet was slow, so we attend outside road shows, festivals, and YRP launches to showcase our product. The outcome of this showcase was positive that we receive demand from Church Groups, Government organizations, schools, other informal sectors where the demand is haphazard but significant enough to warrant attention.

In 2016, the visiting area at the main gate of Naboro was converted to be the show room for our readymade tailor. This development will boost sales and revenue generation.

1. *Market Share*

The Tailor Unit is not in a position to compete with mainstream garment competitors, however the challenge is to grow the business to identify and develop niche market, and to improve our processes and quality to be able to earn a fair return of investment. Presently it is gathering clients at a very fast rate.

2. *Competitors*

The Tailor Unit does not see itself as a competitor because of its smallness. However with improvement in processes, quality and development of niche market, there is potential to operate in the open market which is creating major obstacles with other operators.

3. *Business Outlook*

The garment trade is highly competitive and quality oriented. The Tailor Unit as it stands is not in a position to be compared with the practices and capabilities of the major players in the industry. However there are niche markets that are small and largely ignored by the large companies. Therein lays our focus; to develop this untapped segment. This segment, though small, is significantly enough for the Tailor Unit to make significant profit. As highlighted above we are impinging on the toes of several traditional operators in this segment

a. *Products and Services*

The Tailor Unit has limited capacity in terms of production and quality control. It follows that our products will similarly be limited and selected. We will try to maintain our present line of product and develop new ones as we improve our processes and quality control. Some of the selected products that could be easily put out by the tailor unit are school uniforms, beddings, government uniforms, health workers uniforms/coats etc.

4. *Channel of Distribution*

The Tailor product outlets are inconsistent and irregular. It needs a lot of improvement. Presently the unsold Tailor stock is about \$30, 000. The only Tailor annual outlets are the Showcase, Hibiscus Festival. We should maintain these outlets and develop new ones such as the provincial festivals that are held annually.

5. *Critical needs of the existing market –*

As stated earlier, the Tailor Unit does not have a developed market. That's why it is critical that we work towards our objective of developing niche market and improving our quality processes. We are receiving major orders which we are currently working on and we are sparing no effort to make sure that we meet the deadline both in delivery and quality, to make our mark on the market.

6. *Target Market & Clients –*

Our short term objective is to identify and secure selected target markets – schools, government department etc. We also anticipate introducing production on the basis of confirmed order to corporate clients.

This will ensure we do not have unsold stock piling up in our store room. The main marketing strategy for this SBU will be centered on superior performance in the following areas: *Quality Products, Fair Pricing, Well Packaged and Labeled Items.*

7. *Competition –*

Since we hold a small share of the market, our strategy dictates that we target the niche market where major players have not concentrated on, and focus our marketing mix of product, price, promotion and distribution on satisfying the niche markets specific needs and wants. As stated earlier, we do not see ourselves as a major competitor in the open market. Our strength is in developing niche markets where other operators banding together to stop our raw material suppliers.





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TAILORING

Strategic Issues / SWOT Analysis

This includes operational and tactical issues.

SWOT Analysis -

The SWOT Analysis indicates that the Weaknesses and Threats combined outnumber the strengths and opportunities. This is not a good reflection as it also indicates that operational issues have not been resolved quickly enough by commercial standards.

Figure 5 – SWOT Analysis

SWOT ANALYSIS	STRENGTHS	WEAKNESSES
	<ul style="list-style-type: none"> • Cheap labour • Capacity to develop markets through Government channels • Revenue Potential within Correction Institutions • Ability to access supplies directly 	<ul style="list-style-type: none"> • Unskilled management, technical and manufacturing skills • Inadequate purchasing procedure for materials and accessories • Transportation delays
	OPPORTUNITIES	THREATS
	<ul style="list-style-type: none"> • Streamline procurement process • Improve production processes • Define niche markets and concentrate on timely deliveries 	<ul style="list-style-type: none"> • Corrections operations • Power Blackouts • Procurement Delays • Limited management and Labour Skills

Objectives / Strategic Performance Measures

Marketing Mix

The SBU Unit must understand this Marketing Mix strategy very well. Our product philosophy is that we are selling “*quality products that are affordable and available at convenient locations accessible to the customer*”. Once we convey this message to the customer, it becomes a commitment of service that we will deliver as promised to meet and satisfy customers expectations. If our marketing mix strategies cannot support our philosophy and promise than we will disappoint our customers who will switch to other competitors and discredit our products and service and the image we are striving to build.

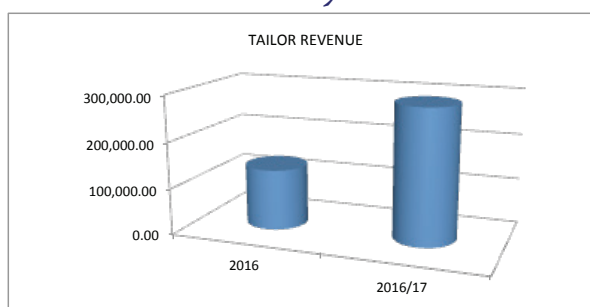
Figure 6 - Marketing Mix

Marketing Mix	
Product	<ul style="list-style-type: none"> ◆ We have assorted products for limited public consumption. ◆ Other major products are sold to corporate clients and within the Corrections Department. ◆ These range from corporate uniforms, team uniforms, church uniforms, sports uniforms. Bula Shirts, 3/4 Pants, Kids Clothes, Bula Jamba, Bucket Hat, Men's Sulu
Price	<ul style="list-style-type: none"> ◆ Products should be sold at lower than the market price but ensuring we do above operational cost.
Promotion	<ul style="list-style-type: none"> ◆ Level of promotion will be depended on products and markets. ◆ Presently, promotions are done through YRP coordinated events. ◆ Promotion will need to be stepped up when there is increased production, quality and market access. ◆ Word of Mouth /Network/Partnership
Place (Distribution)	<ul style="list-style-type: none"> ◆ Wholesale (Mini Mart/Corporate Customers/Govt. Departments. ◆ Our YRP coordinated events, e.g. Showcase, Hibiscus, Suva on Sale, etc.

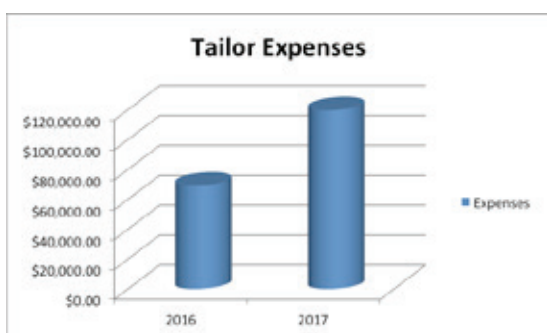
Strategies to meet Target Objectives

As highlighted earlier the strategies the Unit should focus on are Product and Market Development. A model is shown that illustrates how the strategies are broken down and having a cascading effect at operations level.

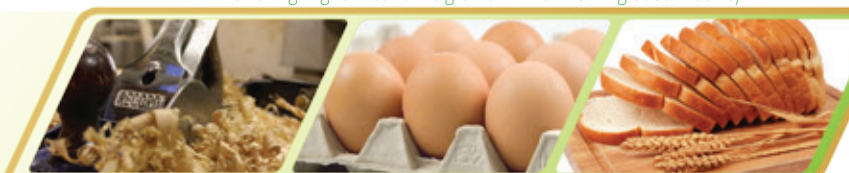
1. Revenue Trend Analysis-Tailor:



2. Expenditure Analysis



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TAILORING

3. 2017 – 2018 Revenue Projection

Revenue Analysis for the Past 3 Years and 2017 – 2018 Projection				
Tailor	2015 (Annual)	2015(Annual)	2016-2017 (Aug-May)	2017-2018
	105,453.98	131,411.75	288,693.10	300,000

FORCASTED CAPEX

- a. **Improved Capital Infrastructrue - (\$15,000)**
Internal trim deck fencing adjacent to the Joinery SBU
- b. **Continuous Market Reserch and Innovative Designs - (\$15,000)**
Purchase of Graphic Designing equipments and training materials
- c. **Improve Security through Installation of internal security camera - (\$10,000)**
Camera is a requirement for the security operation of tailor movements, to account for stock, equipments and finish products
- d. **Need a coordinated marketing/purchasing approach to ensure improved cost effectiveness - (\$1,500)**
To cater for advertisement and printing of pamphlets.
- e. **Internal control system and ensuring proper recording - (\$800)**
Purchase of a new computer, for stock recording and finish goods movement.



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